

# Sustainability Report 2011

## The Revolution

**A&R Carton AB**, company registration number 556050-0554, is a Swedish company and the parent company of the A&R Carton Group.

This is not the official annual report for A&R Carton AB 2011. This report focuses on sustainability efforts within A&R Carton and is mainly based on the guidelines issued by the Global Reporting Initiative, GRI. The report has not been audited.

All figures are in EUR unless otherwise stated. Please visit **[www.ar-carton.com](http://www.ar-carton.com)** for more info.

Contact for the report:

Johan Mårtensson, Group Marketing Manager  
Mobile + 46 766 456 535  
[johan.martensson@ar-carton.com](mailto:johan.martensson@ar-carton.com)

The responsibility for sustainability rests with the plants, close to operations, assuring the most efficient measures are taken for each plant. Sustainability KPIs are collected and results followed up centrally by the Group Marketing Manager.

We have chosen to entitle this year's sustainability report The Revolution. In order to meet the increasing expectations from both government and customers regarding sustainability we constantly invest in order to have the latest technology and the most efficient production. With cunning innovation we relentlessly move the boundaries of what is possible, making our business more successful, to the gain of both our customers and society. Every advance is a small revolution.



# Contents

A&R Carton at a glance	3
Introduction by the CEO	4
Vision and values	6
Quality	7
Our value chain	8
Stakeholder engagement	9
A&R Carton as a social citizen	10
A&R Carton and the environment	11
How A&R Carton is governed	12
GRI index	13





In line with this strategy we have changed our organization. We now have a more local focus and a new market approach based on market segments, thus optimizing our efforts.

#### **Sustainability**

##### **– one of our most important areas**

I am very proud of the corporate values A&R Carton has and our long-term, comprehensive work in the sustainability area. From my meetings with customers I can underline that sustainability is one of the most important areas for us now and in the future.

Acting in a responsible and sustainable way is the single most important long-term factor for a company that uses the Earth's sensitive forests as raw material. Forests provide us with clean water and fresh air and they even help combat global warming. They also provide food and important natural resources, such as timber and paper. If managed responsibly, forests and plantations benefit people.

For many years, A&R Carton has only procured carton from sustainably managed forests and promoted suppliers whose activities are subject to forest certification. To secure this we work with the two best known non-governmental organisations in this area, FSC, Forest Stewardship Council®, and PEFC™, The Programme for the Endorsement of Forest Certification.

#### **The Sustainability Report**

This Sustainability Report is A&R Carton's fifth consecutive report. I have been a very big enthusiast since we started reporting in 2007. I have many examples from my direct meetings with customers that they appreciate our efforts in this area and the reports as such. The importance of our Sustainability Report has improved significantly. It has always been a strong marketing tool and has, over the years, developed into a document that points out the strategic direction for the whole group.

In this report we have included a short description of some important milestones of our sustainability work since the first report in 2007.

In the report we also present our new Gallus machine installed in the site in Augsburg, Germany. The machine is a good example of A&R Carton's innovative and sustainable work. The machine provides an efficient

way of performing all steps in one run, a sustainable process that saves time, energy and material.

It is important for sustainability to become a natural part of our daily work. It must be a red thread through the whole organization. The sustainability work must filter through our business and our other three core values: innovation, quality and service.

#### **Sustainable and flexible organization**

Sustainability means positive efforts in many ways. One of the most important is that the organization must work in a flexible way to be able to meet the requests from different stakeholders to behave in a sustainable way. This external pressure sharpens A&R Carton's competitiveness.

Today we have a very lean and flat organization that listens to our customers and behaves in a flexible way. Or as we stated in last year's report "It is fun to do business with A&R Carton".

This is my first Sustainability Report as CEO of A&R Carton and I am very proud of the position that we have reached in the sustainability area and what we achieved during 2011.

The report is a comprehensive summary of our efforts and a clear declaration that A&R Carton intends to remain the industry's leader in sustainability and innovation.

Harald Schulz  
President and CEO

#### **A brief presentation of Harald Schulz, the new CEO of A&R Carton**

Harald Schulz is 47 years of age with long-standing experience from the packaging sector. He has been employed by the A&R Carton Group since 2001, most recently as Senior Vice President for its business area Branded Products. Harald Schulz is a German citizen, lives south of Frankfurt and has a Diploma in Industrial Engineering. He is married and has one child.

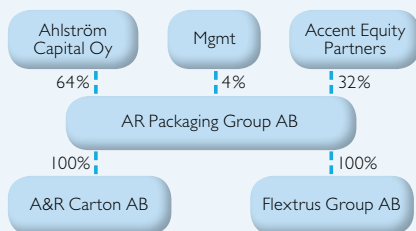


# A&R Carton at a glance

A&R Carton specializes in paperboard packaging solutions, combining an innovative approach with extensive experience in consumer packaging. The company was founded in 2000 through the merger of Åkerlund & Rausing's carton business and FCP. Both companies had traditions in the folding carton industry dating back to the early 1990s.

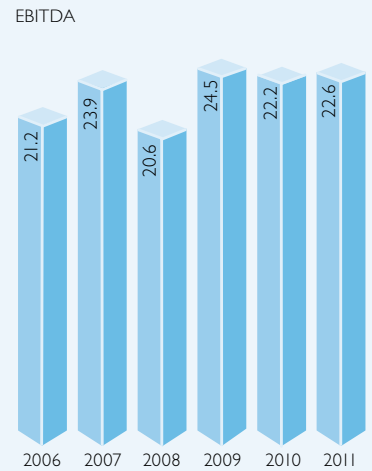
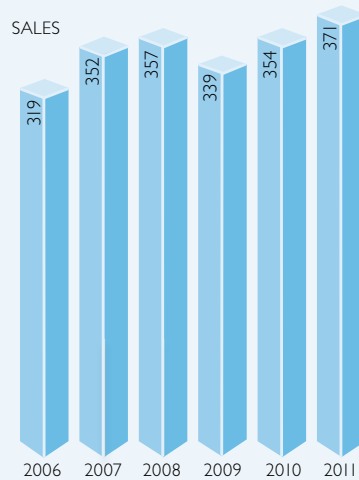
Since June 2011 A&R Carton has been part of the European Packaging Group AR Packaging Group, together with the company Flextrus. A&R Carton and Flextrus operate as separate companies and brands.

AR Packaging Group is 62% owned by Ahlström Capital, a private equity investment company founded in 2001 with an industrial heritage dating back to 1853, and 34% owned by Accent Equity, a leading group of private equity funds in the Nordic region, founded in 1994. The remainder is owned by the management of A&R Carton and Flextrus.



## Positive trend in 2011

Sales continued to increase and the total sales amounted to EUR 371m in 2011 (354). EBITDA amounted to EUR 22.6m (22.2).



## Economic Performance

A&R Carton conducts its financial operations and renders accounts in a responsible, transparent and trustworthy manner. For in-depth details of financial performance, including compensation and incentive packages, please refer to the A&R Carton Annual Report.

The company has received no significant financial assistance from any government. A&R Carton does not see climate change as a financial risk because the raw material in carton is a renewable resource.

## A multinational company

A&R Carton has 1 683 (1 762) employees and 13 production plants in eight European countries, along with sales offices in Asia, Europe, Africa and the United States.

The company's production plants are equipped with modern machinery for offset and gravure printing, gluing and hot foil technology.

R&D departments and specialists provide tailor-made solutions to customers in eight different market segments.

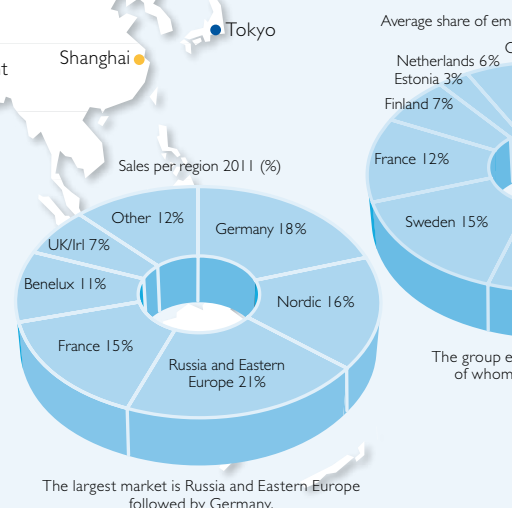
## The benefits of packaging

Packaging has three main purposes: to preserve and protect the contents, to seduce and attract at the point of sale and to serve the consumer when using the product.

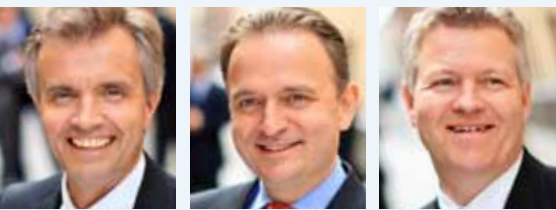
A&R Carton's ambition is to deliver top performance, i.e. to minimize usage of materials, optimize efficiency in production and logistics and maximize promotion.

The available solutions range from carton packs, trays and multipacks to high-tech solutions such as Cekacan®, Espresso®, Hermetet®.

A&R Carton creates fit-for-purpose solutions in a wide range of consumer market segments. In close partnership with customers and designers, A&R Carton finds the right packaging solution for every requirement.



Management



**Harald Schulz**  
President & CEO  
At A&R Carton  
since 2001

**Jean-François Roche**  
Senior Vice President  
Sales & Marketing  
At A&R Carton  
since 1988

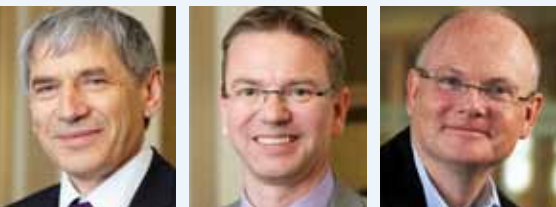
**Niclas Nyström**  
Vice President & CFO  
At A&R Carton  
since 2005



**Peter de Vries**  
Vice President  
Sourcing  
At A&R Carton  
since 1983

**Pierrick Van Hoorde**  
Vice President &  
Business Area Manager  
France. At A&R Carton  
since 1992

**Gerard De Vries**  
Vice President &  
Business Area Manager  
Beer & Beverage  
At A&R Carton since 1986

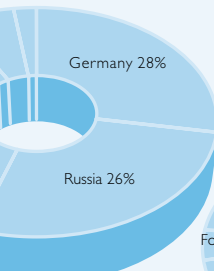


**Nikolai Kuzmin**  
Vice President &  
Business Area Manager  
Russia. At A&R Carton  
since 2000

**Rauno Viljakainen**  
Vice President &  
Business Area Manager  
Nordic. At A&R Carton  
since 1996

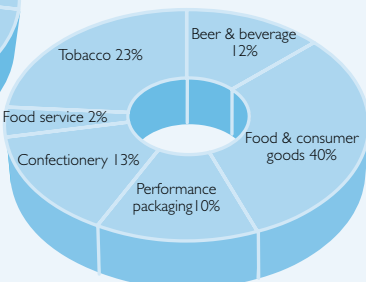
**Per Nyström**  
Vice President &  
Business Area Manager  
Lund  
At A&R Carton since 2012

Employees per country 2011 (%)



Employees 1683 people, 31% are women.

Sales per market segment 2011 (%)



A&R Carton provides a broad selection of carton packaging concepts in the consumer-packaging segment.

Introduction by the CEO Harald Schulz

# Sustainability is the single most important long-term competitive factor

*2011 was an eventful year for our group. The most important event was that a new packaging group, AR Packaging Group, was formed. The new group was formed through a merger of A&R Carton and Flextrus, which will continue to operate on the market as separate companies and brands. The change is a step in the direction of a possible future IPO.*

In December 2011 the CEO of A&R Carton for many years, Per Lundeen, announced his retirement and the Board started the search to find a new CEO. On 16 February 2012 it was announced that I was appointed to take over as new CEO.

I am really looking forward to working as CEO for the Group. After 15 years in the packaging industry and more than 10 years in A&R Carton, I am familiar with this exciting industry. I will continue our close cooperation with our customers, suppliers and employees to further develop our strengths and to continue to position A&R Carton as a customer-focused, innovative and sustainable leader in the European packaging sector.

During 2011, sales increased to EUR 371m (354), an increase of 4.8%. Eastern Europe was the geographical area that contributed most to this positive development. It is still important for A&R Carton to continue to grow and increase volumes with our largest and most important customers. Our focus right now is to implement actions and projects to further increase our effectiveness to create even greater profitable growth.

At the beginning of 2012, A&R Carton initiated new ways of approaching the market.

# Vision and values

## A&R CARTON'S CORE VALUES:

### Innovative

A&R Carton's market knowledge, business leadership and challenging attitude make the company the driving innovator in the industry.

### Professional

A&R Carton is regarded as a truly professional company that always delivers quality, service and competence while looking for ways to optimize the customer's packaging.

### Sense of urgency

A&R Carton is a focused, committed and action-oriented company that always offers its customers great flexibility.

### Openness and trust

A&R Carton wants to share and learn and believes in integrity, respect, transparency, trust and empowerment, always with a serious concern for sustainability.

## A&R CARTON'S VISION:

*"To be the preferred partner of paper-board packaging solutions by being recognized as the leader in innovation, quality, service and sustainability."*

This means that A&R Carton should be the company that is most successful when it comes to developing new and innovative solutions.

The customers should see A&R Carton as a partner that they include in their processes to discover the best solutions.

## A&R CARTON'S MISSION:

*"To optimize the benefits of packaging in our customer's value chain."*

A&R Carton aims to develop the optimal packaging solution for every project, irrespective of the segment or market. To be able to do this, A&R Carton must always listen and learn and be adaptive in the process of understanding both the nature and the details of the customer's value chain – in order to develop the most beneficial solutions possible.





# Quality

A&R Carton is committed to delivering the highest standards of quality, safety and responsiveness in the packaging solutions and services that it provides for its customers.

Business excellence is driven by the following principles:

## Service standards

A&R Carton will deliver products and services that meet or exceed the requirements agreed upon with the customers and the relevant regulatory authorities. A&R Carton will comply with all established procedures, quality standards, safety standards and regulations.

## Commitment to quality

A&R Carton is accountable for the quality of its work and performs to the best of its capabilities at all times. A&R Carton will strive for World-Class Quality, with the target being customer satisfaction and minimized risk of failure in production. All plants will be certified with regard to relevant hygiene and environmental standards.

## Communication

A&R Carton communicates its quality policy with customers, employees, suppliers and partners and solicits their input to meet their expectations. A&R Carton actively promotes this policy across all levels of its staff and en-

courages each employee to embrace quality as a personal commitment. A&R Carton encourages sharing of information on quality and will always cooperate with quality auditors.

## Continuous improvement

A&R Carton will consistently strive to improve quality through learning, sharing, benchmarking, innovation and participation in continuous improvement programs.

## Future

By focusing on quality, A&R Carton will develop and maintain a competitive edge, thereby securing the profitability and future of the company.



## Certificates per plant

	Quality Certificate	Environmental Certificate	Hygiene Certificate
Augsburg	ISO 9001:2008	EMAS; FSC; PEFC	BRC/loP, EN 15593
Timashevsk	ISO 9001:2008		BRC/loP
St. Petersburg	ISO 9001:2008		
Frankfurt	ISO 9001:2008	ISO 14001, PEFC, FSC	BRC/loP, EN 15593
Kaustua	ISO 9001	ISO 14001	BRC/loP
Bremen	ISO 9001:2008	ISO 14001:2004, FSC, PEFC	EN 15593
Cholet	ISO 9001:2008		BRC/loP
Lund	ISO 9001:2008	ISO 14001:2004	BRC/loP Issue 3 (Category I, no exclusions)
CC Pack	BRC/loP Issue 3 (Category I)		BRC/loP Issue 3 (Category I)
Sneek	ISO 9001:2008	ISO 14001:2004, FSC, PEFC	
Ingerois	ISO 9001		
SP Containers		FSC	BRC Grade I
Tabasalu	ISO 9001:2008		

# Our value chain

## Product life cycle

Packages become waste when end consumers choose to dispose of them.

Carton is recyclable and can be used to make new paper pulp or incinerated to generate energy. Recycling practices vary by country and location.

A&R Carton conducts LCAs (Life Cycle Analyses) to calculate the carbon footprint of selected products.

## Carton – a renewable resource

Carton board is the basis of our business. It is a material made of wood pulp supplied by companies which manage forests and pulp mills. Wood from sustainably managed forests is a renewable resource and as such has no impact on climate change, even when it is incinerated and recycled to create energy. The flow of raw material in the carton industry is therefore a relatively clean system in terms of its carbon footprint.

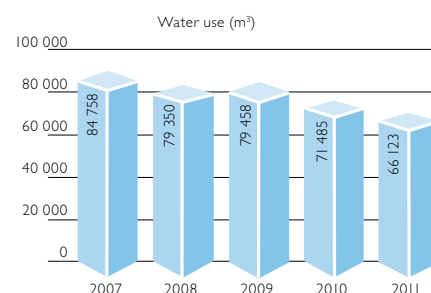
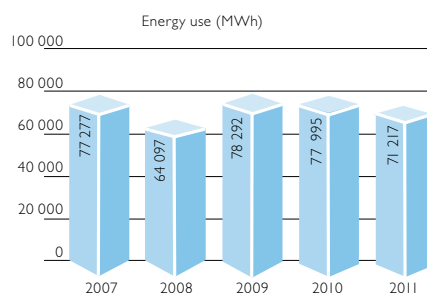
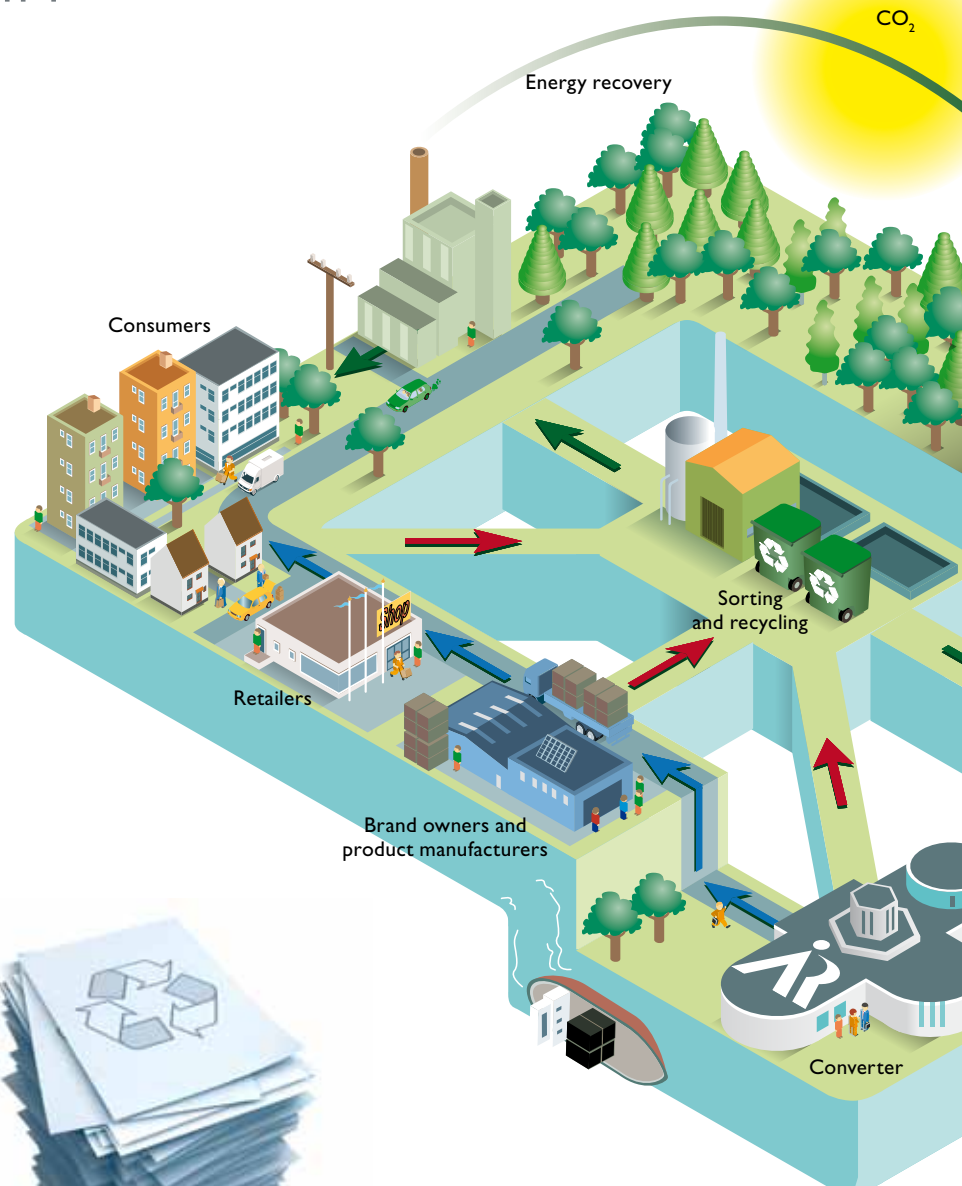
Fossil fuel emissions in our value chain are mainly caused by truck and sea transport of logs, carton board and packaging. In the sustainability report for 2010, available at [www.ar-carton.com](http://www.ar-carton.com), we describe how we are working to streamline the supply chain and thus reduce transportation. On the website, page 17 of the 2009 Sustainability report, a summary of the carbon footprint of carton board is also available.

## KPI over time

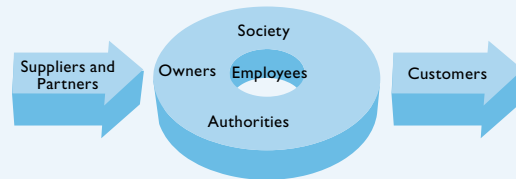
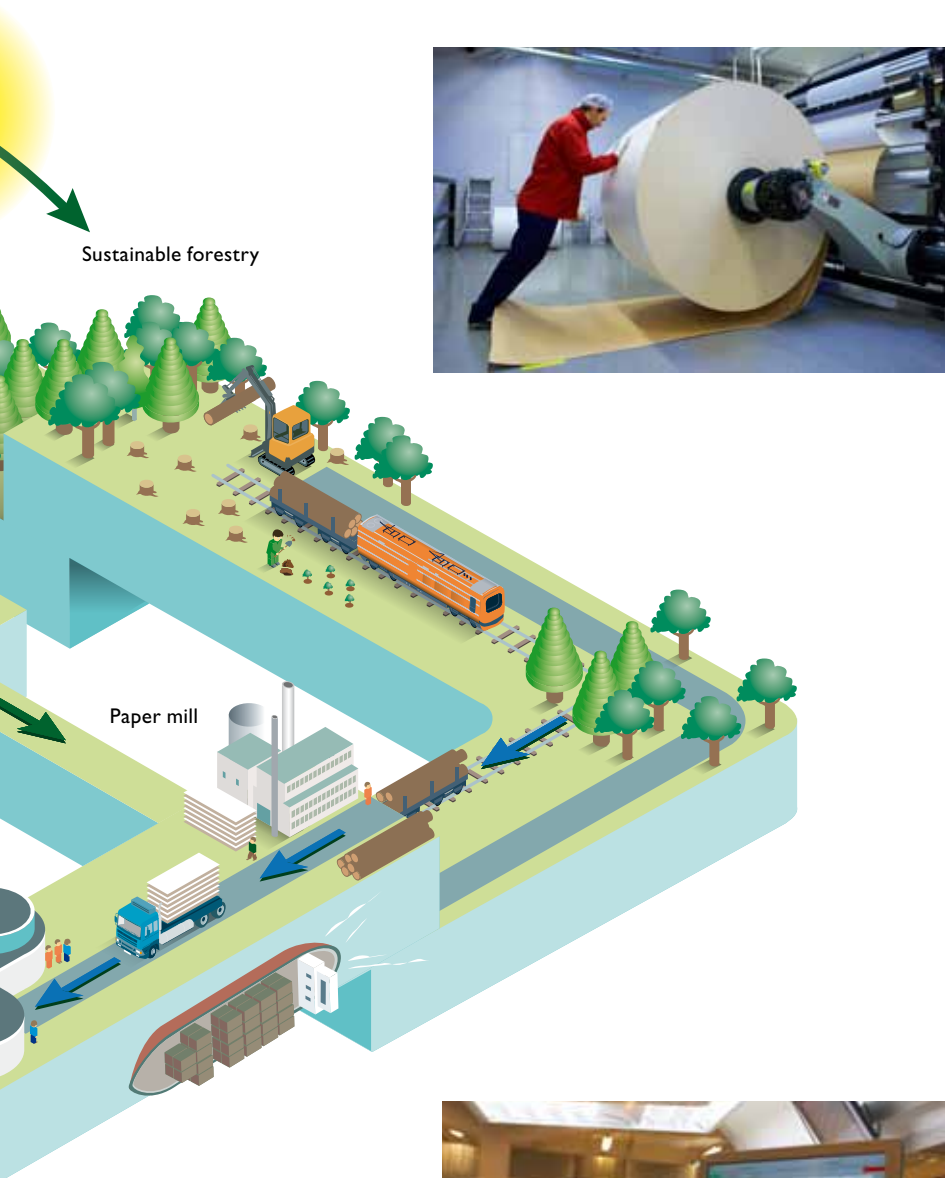
At A&R Carton, all our work, investments and other activities should be based on a holistic perspective with the purpose of continuously reducing the environmental impact of our packaging and our operations. In line with A&R Carton's new organization, responsibility for sustainability has been transferred to each unit, putting decisions closer to where the most specific knowledge is.

To illustrate these efforts, we have compiled graphs representing the development of our key sustainability figures for the use of energy, water, carton board, ink and varnish.

Another KPI is waste, which A&R Carton plans to reduce significantly in the coming years. The first step in the waste reduction plan has been to map the waste in our process and organize it into categories; purchased waste, logistics waste, technical waste and process waste.







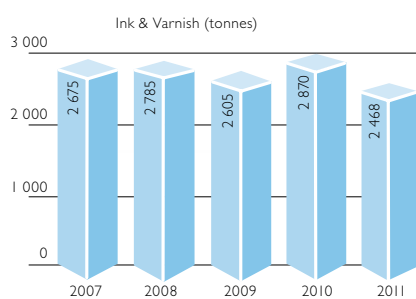
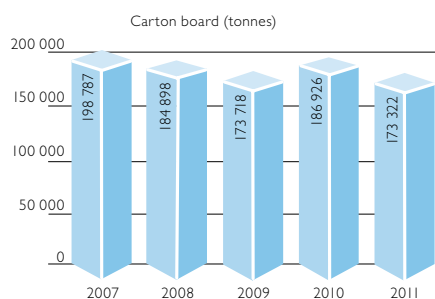
## STAKEHOLDER ENGAGEMENT

A&R Carton's key stakeholders are its customers, employees, owners, suppliers and partners. Other stakeholders are societies and communities, including public authorities, in locations where A&R Carton carries out its operations. A&R Carton communicates with stakeholders at various levels, depending on their relevance to the achievement of the company's goals and their level of involvement in the company's operations.

The main channels of communication for stakeholders are the company's website ([www.ar-carton.com](http://www.ar-carton.com)) and the annual sustainability report. The company communicates with the supervisory authorities on specific issues, both directly and through industry organizations. A&R Carton's membership in industry organizations, mainly ECMA, also entails cooperation on environmental and health and safety issues. Customers, suppliers and partners take part in direct, ongoing communication with representatives of A&R Carton. Customers also regularly receive a newsletter, PackViews.

Communication with employees is maintained through channels such as the intranet, events, and meetings with trade unions. Investments in e-learning and video conferencing have improved communications within the company, and a new intranet has been introduced. A&R Carton assists brand owners in communicating packaging benefits to consumers by supplying information on raw materials, LCA analyses, carbon footprints, etc.

Analyses of consumer attitudes and opinions regarding packaging solutions and materials are performed regularly, often in cooperation with the industry organization ECMA.



# A&R Carton as a social citizen

*At A&R Carton, we identify two main ways in which value is shared with society. Food safety is a major topic in the carton industry, and there is a great focus in A&R Carton on constantly improving the protective characteristics of the packaging.*



We consider it our responsibility to provide the consumers, and thus society, with safe packaging that protect and preserve what is inside. Therefore we work in compliance with ECMA GMP (Good Manufacturing Practice, [www.ecma.org](http://www.ecma.org)), ensuring a high level of food safety in all our products.

Another important value is the value created by interaction with society, especially universities, increasing and disseminating knowledge and understanding of carton technology. Since 2010 A&R Carton has been a driving force in Packbridge, one of the leading packaging clusters in Europe.

## **Non-discrimination, corruption, anti-competitive behavior and compliance**

There were no cases of discrimination, corruption, child labor or forced labor in 2011 (SO4). There were no cases of corruption or anti-competitive behavior in 2011. There have been no legal actions nor any fines for non-compliance in 2011.

No special measures, such as training to counteract illegal conduct, have been deemed relevant or necessary for A&R Carton's employees. Individuals with key functions have received training in competition and anti-corruption legislation.

## **A&R Carton as a workplace**

A&R Carton should be a safe and rewarding place to work. The company is committed to equal opportunity and diversity, development of leadership skills, empowerment, and safety in the workplace.

## **Equal opportunity and diversity**

A&R Carton practices a policy of equal opportunity among employees. Employees should be treated fairly and the company should eliminate all discrimination based on gender, religion, race, age, nationality, disability, sexual orientation, political convictions, trade union membership or social or ethnic origin. In 2011, 31% of A&R Carton's employees were women.

A&R Carton's strategic objectives include benefiting from the diversity existing in the organization. A gender equality plan has been established in accordance with Swedish law. Collective bargaining agreements cover approximately 95% (97) of the blue collar workforce and 86% (86) of the white collar workforce. In addition to company policy, all

countries in which A&R Carton has employees have extensive laws concerning these issues.

## **Training and development of leadership skills**

The continuous development of skills and leadership qualities forms an essential part of employees' abilities to contribute to A&R Carton's business objectives. A&R Carton invests in the training and development of its employees by offering training programs. Employees received an average 20.8 hours (14.8) of training in 2011. The training hours per employee have increased, mainly thanks to an increased focus on training in production and food safety. The type of training varies according to an employee's position and duties. All new blue-collar employees are given health and safety training as part of their introduction. Training and skills development programs for blue collar workers are usually conducted on a group basis, with relevant content for different categories of workers. Individual follow-up and appraisal are sometimes required on a supplementary basis.

The aim is to offer all employees one individual appraisal meeting per year. Approximately 40% (46) of white collar workers and 26% (32) of blue collar workers received individual appraisal meetings in 2011.

## **Safety and working conditions**

A&R Carton has 14 manufacturing facilities (the plant in Norrköping is closing during 2012) in eight countries, all governed by national law. In addition, all countries except Russia are subject to EC law. At A&R Carton we are committed to achieving the same high safety levels at all of our plants by minimizing risks and limiting the impact of accidents in the workplace. On a local basis, we constantly measure and monitor health and safety risks and implement the necessary improvements. During 2011, 66 (79) cases resulting in at least one day's absence were reported. The number of accidents has continually decreased, mainly thanks to a greater focus on safety training.

It's our responsibility to provide the consumers with safe packaging that protects and preserves what is inside.

# A&R Carton and the environment

*A&R Carton's approach to environmental sustainability is best described as ecoefficiency, combining ecological and economic considerations. Sustainable development is a continuous process of improving both business and sustainable performance. All our work, investments and other activities should be based on a holistic perspective with the purpose of continuously reducing the environmental impact of our packaging and our operations.*

A&R Carton promotes sustainability across all aspects of our business, with a particular focus on sound paper procurement and conversion practices which ensure responsible management of forests and other natural resources. There were no instances of noncompliance with environmental laws and regulations in 2011.

## Materials used

The main material used by A&R Carton is carton board, which is made from wood pulp. Wood is a naturally renewable resource. Wood used in A&R Carton products comes primarily from sustainably managed European forests, and no wood comes from rainforests or other endangered eco-systems. A&R Carton procured a total of 173,322 tonnes of carton paper in 2011 (186,926). The decrease is attributable to improved purchasing and supply chain management.

Of the total procured volume, approximately 58,805 tonnes (63,529) – or 33% (33%) – came from recycled carton board. Over 99% of production waste is recycled. Our main suppliers of carton board in 2011 were (in alphabetical order): Careo, Fiskeby, Flextrus, Iggesund Paperboard, Klabi, Korsnäs, Mayr-Melnhof, M-Real, Stora Enso and Walki. All suppliers of board are ISO 14001 certified.

The use of ink and varnish for printing packages decreased to 2,468 tonnes (2,870) due to improved purchasing and supply chain management. These substances were mainly supplied by (in alphabetical order): Flint Group, Michel Huber Group, Siegwerk, and Sun Chemicals. All suppliers are ISO 14001 certified. Some packages have an aluminum barrier film to protect food contents. 120 tonnes (109) of aluminum and 352 tonnes of flexible plastic film were procured during 2011. Aluminum and plastic film are used as functional barriers to protect food.

## Energy use

A&R Carton's production units used a combined 71,217 MWh of energy in 2011 (77,995). In order to reduce energy consumption, monitoring and reporting of heating are being continuously increased. Projects to enhance energy efficiency are continuously in progress at A&R Carton. Reducing energy consumption is not only an environmental consideration; it is also significant in terms of cutting production costs and making the units more competitive.

Rising energy prices and the global focus on climate change make efficient energy use an increasingly important issue. The production units buy electricity from external suppliers, and this electricity comes from a mix of sources, depending on the location of the plant.

## Water use

A&R Carton used 66,123 m<sup>3</sup> of water in 2011 (71,485). The decrease is the result of improvements in production processes. Different kinds and qualities of raw carton paper require different quantities of water in the refinement process. Individual production facilities are not wholly comparable because they concentrate on different types of production.

## Emissions and waste

Rotogravure printing can give rise to fumes in the drying process for inks and varnish. These fumes are subject to emission limit values according to the European VOC Solvent Emissions Directive (SED).

The newly installed Gallus ICS 670 printing machine in the Augsburg plant in Germany is one of the most important innovations in many years and a big step into the future for A&R Carton. The machine is revolutionizing in particular the premium folding carton market and the technique contains many benefits for the environment.



A&R Carton plants in the European Union that use rotogravure printing have installed incinerators to burn the exhaust – thereby reducing emissions. There are no other significant direct emissions from A&R Carton's production processes.

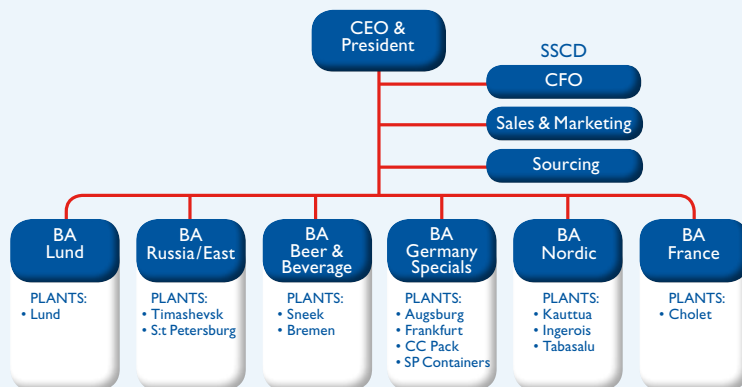
The supply of raw materials and the distribution of our products to customers take place mainly by road. In order to reduce transportation and streamline logistics, A&R Carton runs a group-wide Supply Chain Management project. More about this project is contained on pages 18–19 of the Sustainability report for 2010 available on <http://www.ar-carton.com>.

A&R Carton also strives to increase the proportion of goods transported by rail and to reduce travel. However, the potential varies according to location.

A&R Carton promotes sustainability across all aspects of our business.



# How A&R Carton is governed



The board of directors consists of: Chairman Stig Gustavsson. Vice Chairman Jan Ohlsson. Board members Carl Fürstenbach, Per Lundeen, Hans Pettersson and Panu Routila. The board of directors held 4 meetings in 2011. The consolidated financial statements have been audited.

To realise the A&R Carton vision – to be the preferred partner for paperboard packaging solutions by being recognized as the leader in innovation, quality, service and sustainability – the company must work to optimize the benefits of packaging in every link of the value chain. This includes issues relating to environmental impact and social and economic factors. Accordingly, A&R Carton reports the benefits and disadvantages of packaging solutions from a sustainability perspective. The first sustainability report was published in 2008 and included data from 2007. That report was a first step towards a holistic approach to sustainability.

This is the fifth sustainability report and sustainability issues relevant to our industry have been analyzed and defined. The reporting process has become a driving force.

The sustainability report in itself is a useful instrument for corporate governance and for optimizing internal processes. The goal is to gradually expand the reporting, both upstream and downstream.

## Code of conduct

The code of conduct is the hub around which the policies and corporate governance are built. It constitutes a framework for A&R Carton's attitudes and principles concerning the environment, ethics and health and safety.

A&R Carton operates according to principles – governing its relations with employees, partners and other stakeholders – which are based on respect for laws, environmental issues, human rights, labor issues, social issues and customer requirements. A&R Carton does business according to international principles.

## Environmental Policy

All work, investments and other activities should be based on a holistic perspective with the aim of continuously reducing the environmental impact of packaging solutions and operations.

## Human Resources Policy

A&R Carton should be a safe, rewarding place to work. The company is committed to equality of opportunity and diversity, leadership, development, empowerment and safety in the workplace.

## Internal standards

A&R Carton management supervises internal standards, requirements and methods relating to Group operations. Internal standards include ISO 9001:2000, ISO 14001, OHSAS, EMAS, BRC/IoP, the ECMA GMP guidelines and the CEPI guidelines.

## Reporting

Scope: This report aims to present an accurate picture of group performance in areas relating to the environment, social health, safety and business ethics.

## Boundaries

Historical data is not available for all indicators. Unless otherwise stated, the data refers to the 2011 calendar year. The report mainly covers A&R Carton's own operations.

The data has been collected from A&R Carton's business system, PECAS, and through direct cooperation with the company's production plants. The data is verified internally and does not include operations with zero or limited impact on the environment.

## Reporting standards and KPIs

The report conforms to the internationally acknowledged GRI (Global Reporting Initiative) standards. Key Performance Indicators (KPIs) used by A&R Carton are selected from version G3 of the GRI standards. The report is self-declared and complies with application level C according to the GRI standards. KPIs were not subject to third-party checks.

## Effort program – The sustainable way

### Partnership – inviting innovation

A&R Carton actively seeks partners in innovation among customers and subcontractors with the aim of finding and starting up new projects to design new sustainable packaging solutions. The case study presented in the 2009 sustainability report, the SmartPack developed for Semper, was a good example of an innovative process of this kind.

A&R Carton shares environmental data, both upstream and downstream. This is a prerequisite for conducting credible environmental impact studies throughout the value chain.

## Business system

A&R Carton uses a group-wide business system known as PECAS. The data in PECAS ranges from procurement and production – as a shop-floor system – to sales. The system has full capacity for recording all operational data of relevance to this sustainability report. A&R Carton is gradually making system upgrades and implementing new procedures which will provide greater opportunities for management, data collection, and monitoring of operations with an environmental impact. PECAS also makes full traceability possible. Every pallet of carton board is marked with an EAN code from the supplier. This code follows the carton board through the entire production process all the way to the individual package, if the customer so requires. This enables the company to guarantee the origin of every batch of packages that we deliver. To make this system more useful, the company has required all suppliers to mark their deliveries in a standardized manner, which will also include information on FSC/PEFC certification. Using PECAS to coordinate and evaluate the efforts with suppliers and then sharing this information with the company's customers will make the results of the sustainability work more transparent, both internally and externally.

A group-wide human resource information system has been implemented and will facilitate central monitoring of talent management, training programs, individual appraisals and understanding of policies.

## Business organizations

A&R Carton is an active member of ECMA.

A&R Carton became a member of the UN Global Compact in 2008 and has adopted its 10 principles on human rights, labor standards, the environment and anti-corruption.



## GRI references

A&R Carton's sustainability report 2011 follows Global Reporting Initiative guidelines (version G3), level C. The following index shows where in the report information can be found. Only the GRI core indicators and the additional indicators A&R Carton has selected to report on are listed.

[illegible]

